

TOP SECRET

6 June 1958

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CENTRAL INTELLIGENCE BULLETIN



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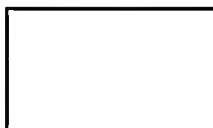
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CENTRAL INTELLIGENCE BULLETIN

6 June 1958

DAILY BRIEF

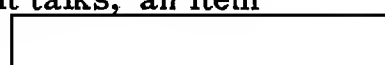
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I. THE COMMUNIST BLOC

no

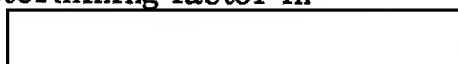
Soviet trade proposal: Ambassador Thompson sees Khrushchev's trade proposal of 2 June as motivated primarily by a desire to speed up development of the Soviet synthetic materials industry. He suggests that the USSR may also be trying to stimulate commercial rivalry among Western countries. Khrushchev may hope further to facilitate relaxation of Western trade controls and to secure inclusion of trade on the agenda for summit talks, an item which Moscow has repeatedly proposed.



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no

Bloc-Yugoslav dispute: The Chinese Communists have now made explicit the nature of political relations which the Sino-Soviet bloc envisages with Yugoslavia in the coming months. Following Khrushchev's line that "normal" state contacts can be preserved, the Chinese endorse a continuation of "ordinary" diplomatic relations. For the present, the Chinese evidently approve limited agreements with Belgrade on matters such as trade and cultural exchanges, but Peiping has served notice that the future attitude of the Yugoslavs will be the determining factor in the negotiation of such agreements.



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no

Soviet nuclear inspection tactics: A Soviet UN official states that he is not hopeful about the forthcoming technical talks at Geneva on inspection measures for test suspension because he expects the United States to be inflexible and to



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demand unrealistic measures such as the inspection of Soviet nuclear test sites. [REDACTED]
(Page 2)

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II. ASIA-AFRICA

no

*Lebanon: The opposition's rejection of a request by the speaker of the Parliament to convene on 24 July to elect a new president indicates that the opposition intends to continue its campaign to force President Chamoun to resign. The Arab League council meeting in Benghazi has not yet reached any agreement on how to handle the Lebanon issue. Lebanon has again postponed submitting its complaint against the UAR to the United Nations. [REDACTED]

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no
Watch Committee conclusion--Middle East: A deliberate initiation of hostilities in the Middle East is considered unlikely in the near future. However, serious incidents are likely to recur. In Lebanon, the continuing crisis represents a grave threat to the nation as presently constituted. There is evidence of continuing intervention by UAR irregulars and of the infiltration of considerable quantities of UAR arms. There is, however, no evidence of UAR intention to interfere with regular military forces, a step which may not be required for UAR purposes. Lebanese armed forces have not been

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employed to the extent of their capabilities. Available evidence does not indicate an intention by the Soviet bloc or by Israel to become militarily involved. [REDACTED]

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yes
Cyprus: Archbishop Makarios, during his recent visit to Egypt, received a public assurance of support by Nasir for the Greek Cypriots' struggle against the British for self-determination. [REDACTED]

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Burma: Present indications point to a victory for Premier U Nu in the parliamentary vote scheduled for 9 June. Since the margin will probably be narrow, U Nu will then be forced to decide whether to continue to depend on pro-Communist support in Parliament or to call for general elections. [REDACTED]

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no
Watch Committee conclusion--Indonesia: Soviet bloc military aid to Indonesia continues; however, there are no developments indicating a Sino-Soviet bloc intention to become directly involved in military operations in Indonesia. The situation continues to favor local Communist and Sino-Soviet bloc exploitation. [REDACTED]

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no
Watch Committee conclusion--North Africa: The French-Tunisian situation remains tense. A serious incident could lead to the internationalization of the crisis. No evidence is available of Soviet bloc efforts to exploit the current crisis in North Africa. [REDACTED]

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III. THE WEST

yes
France: Reaction in the non-Communist press to De Gaulle's 4 June statement in Algiers is generally favorable, although some leftist circles are reported to regard the

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speech as an appeasement of the civilian-military extremists in Algeria. [REDACTED]

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yes
Portugal: Growing opposition to Premier Salazar's regime and opposition candidate Humberto Delgado's decision to persist in his campaign for the presidency have resulted in demonstrations and disorders. The government candidate's victory on 8 June seems virtually certain, and the regime is in no danger. However, further clashes with the police are possible on election day or immediately thereafter, and there are some signs of increasing friction between factions in the cabinet. [REDACTED]

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yes
Cuba: The government's offensive against Fidel Castro's rebels in eastern Cuba appears to be better organized than previous "all-out" efforts, but still faces serious obstacles in terrain, bad weather, and rebel guerrilla tactics. Batista says he expects to capture Castro within two months, and he is apparently awaiting some such marked success before restoring constitutional guarantees in preparation for general elections scheduled for 3 November. [REDACTED]
(Page 11) (Map)

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I. THE COMMUNIST BLOC

Communist China Calls for "Political" Struggle Against Yugoslavia

Peiping's 4 June editorial in the Chinese party newspaper People's Daily, reprinted in Pravda the next day, indicates that Yugoslav-bloc relations will be put on a basis roughly similar to the bloc's relations with Western governments. Consistent with Khrushchev's line that "normal" rather than fraternal state contacts can be preserved, the editorial endorses a continuation of "ordinary" diplomatic relations. For the present, the Chinese evidently approve limited agreements with Belgrade on matters like trade and cultural exchanges, but Peiping has served notice on the Yugoslavs that their "future attitude" will be the primary factor in the negotiation of such agreements.

The editorial hints at Peiping's irritation with the Polish and Hungarian reluctance to take an uncompromising stand against the Yugoslavs. It condemns "some people" for their unwillingness to "state clearly" that the Yugoslav party program "benefits the imperialists" and declares that the fight against the program has just begun.

Communist China's call for a "political" as well as ideological struggle against Belgrade suggests that Peiping and Moscow will intensify their attempts to undercut the position of the Yugoslav leaders. Khrushchev in his Sofia speech on 3 June alluded to certain letters from the Soviet party demanding open criticism of the Yugoslav party program. [redacted] a letter signed by Soviet party secretary Pospelov was circulated in early May demanding a concerted effort to remove "revisionists" in the Yugoslav party and government. [redacted]

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Soviet Views of Technical Talks on Test
Suspension Controls

A member of the Soviet UN delegation has told an American official that he is "not hopeful" about the forthcoming technical talks at Geneva on inspection measures for test suspension because he expected the United States to be inflexible and make "unrealistic" demands unacceptable to the USSR. He anticipates a difference of opinion within the US delegation on the necessary inspection measures, but believes that the US will demand more inspection posts and greater mobility for inspectors in the USSR than Moscow could accept. He also warned that it would be "unrealistic" to expect Moscow to agree to international inspection of its nuclear test sites.

In his 30 May letter to the Canadian prime minister, Khrushchev emphasized Soviet willingness to discuss during the talks the number of control posts and their specific disposition in the territories of the countries concerned, a subject on which Moscow has said little since it announced a suspension of tests. On the other hand, Khrushchev repeated the standard Soviet argument that such control posts are unnecessary for detecting any nuclear explosion wherever it occurs. This argument, frequently emphasized in Soviet propaganda, is presumably designed to support the Soviet position--in the event that the technical talks break down on the extent of inspection necessary--that the United States is blocking test suspension by making unrealistic inspection demands.

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II. ASIA-AFRICA

Crisis in Lebanon

The reported refusal of opposition leaders to accept a call by the speaker of the Lebanese Parliament for a special session to elect a new president on 24 July indicates the determination of most antigovernment leaders to prolong the rebellion. They probably hope thereby to bring about the election of a new pro-UAR legislature which would choose a successor to President Chamoun. Members of the present legislature, who were elected in June 1957, are primarily Chamoun supporters. The UAR and opposition would consequently have no assurance that these legislators would not either re-elect Chamoun or choose another pro-Western leader. Chamoun's term ends on 23 September, and the legislature must elect his successor for a six-year term during the 30 days following 23 July.

Widespread sporadic fighting continues. Despite lulls, the existence of large and well-armed antigovernment groups throughout the country, and in the principal cities, has raised concern among government leaders that a coordinated rebel drive may yet develop. Should serious rebel pressure appear simultaneously at several points, the resources of the army would be severely strained.

There is still no sign that army commander General Shihab has developed any over-all plan to cope with the situation. He and Prime Minister Sulh are reported to be increasingly at odds--a situation which is exacerbated by the apparent desire of the general and his supporters to have him appointed prime minister.

Lebanon again agreed to postpone until 6 June hearing of its complaint against the UAR by the UN Security Council,



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pending completion of the Arab League's efforts to work out a compromise. The Lebanese Government is being pressed by the league to withdraw its complaint to the UN if all member states stop their propaganda attacks while an Arab League fact-finding mission visits Lebanon to investigate its charges against the UAR.

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Cyprus Situation

British Foreign Secretary Lloyd's recent statement to Parliament in which he promised that a new policy toward Cyprus would be outlined by 17 June has stimulated new pressure moves by both Greek and Turkish Cypriots.

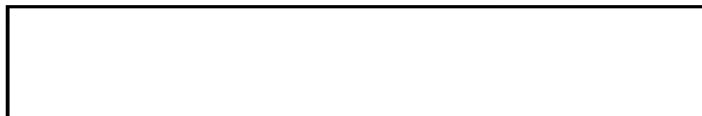
Turkish Cypriot leaders, currently in Ankara as guests of the Turkish Government, continue to denounce plans for self-government, demand partition of the island, and warn that continuance of Anglo-Turkish friendship may depend on the anticipated British policy announcement.

Meanwhile, on Cyprus, EOKA leader George Grivas has issued another warning to Governor Foot, threatening a war of extermination against the British unless "justice" is granted to the Greek Cypriots.

Archbishop Makarios arrived in Cairo on 1 June for a week's visit as guest of the 60,000-member Greek community in Egypt. Since arrival, he has held conversations with Egyptian President Nasir, who on 4 June in a public speech strongly supported the Greek Cypriot claim for self-determination and promised Makarios "every help" in his struggle with Britain. Possibly seeking to justify a UAR interest in the Cyprus issue, the Egyptian press has noted the proximity of the island to the Syrian coast.



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Burma

It now appears that Burmese Premier Nu will command a narrow majority in the parliamentary showdown scheduled for 9 June with his former deputy premiers U Ba Swe and U Kyaw Nyein. A recent report of pledged votes gives U Nu a majority of four, with 129 votes against 117 votes for Ba Swe and Kyaw Nyein, leaders of the Burma Socialist party. There are also four votes uncommitted in the 250-seat Parliament. In order to gain a majority, U Nu has made himself vulnerable to Communist pressure by accepting the approximately 46 votes of the Communist-dominated National Unity Front. U Nu has also had to purchase the critical six votes of the Arakan National Unity Organization, which seeks greater autonomy for Moslem areas in western Burma, by giving it three posts in his cabinet.

If U Nu wins by the slim margin expected, he is likely to call for the dissolution of Parliament and general elections, probably in August. If U Nu fails in Parliament, he is expected to call for immediate general elections. He is reported to recognize that any elections this year would probably increase the Communist representation in Parliament, but feels that he would greatly increase his personal support as well.

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The army thus far has remained strictly neutral in the political dispute and has concentrated on preserving security and order. Burmese fears that the political controversy would result in widespread violence have not yet been borne out, although rural incidents have markedly increased. Commander in Chief General Ne Win has warned, however, that the army would act if Communists were included in the cabinet. The army might also intervene if it believed general elections would result in sizable Communist gains.

Although Premier Nu's support currently appears unstable, there is still a possibility that non-Communist unity may be restored in the near future. Neither faction has

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attacked the integrity of the opposing leader, but each has instead concentrated on second-echelon figures. Bad feeling among top leaders appears only between U Nu and Kyaw Nyein. Ba Swe, one of Burma's most able organizers, has consistently stood for a strong, united government, and is certain to be wooed by U Nu. A reconciliation between U Nu and Ba Swe would isolate Kyaw Nyein and would secure for U Nu the dominant position in Burmese politics.

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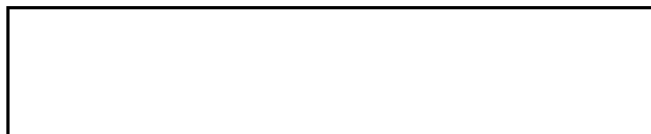
III. THE WEST

French Reaction to De Gaulle's Algiers Speech

Available French reaction to Premier de Gaulle's 4 June speech in Algiers, obtained primarily from the press in the absence of Parliament, is generally favorable except in Communist papers. Leftist circles regard the speech as appeasement of the civilian-military junta, even though De Gaulle avoided references to "French Algeria" and, according to the French Press Agency, will act as his own minister for Algeria rather than appoint the junta's candidate, Jacques Soustelle.



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Portuguese Presidential Election Campaign Disorders

The severe tactics used by the Salazar regime's security forces in suppressing demonstrations for the opposition presidential candidate, General Humberto Delgado, in the 8 June elections have caused adverse comment, including some by junior military officers. Clashes of a severity unprecedented in the 32 years since Salazar came to power have occurred in several cities between the police and Delgado's followers. The American Embassy in Lisbon believes new violence is possible on election day or immediately thereafter as the results of the balloting become known.

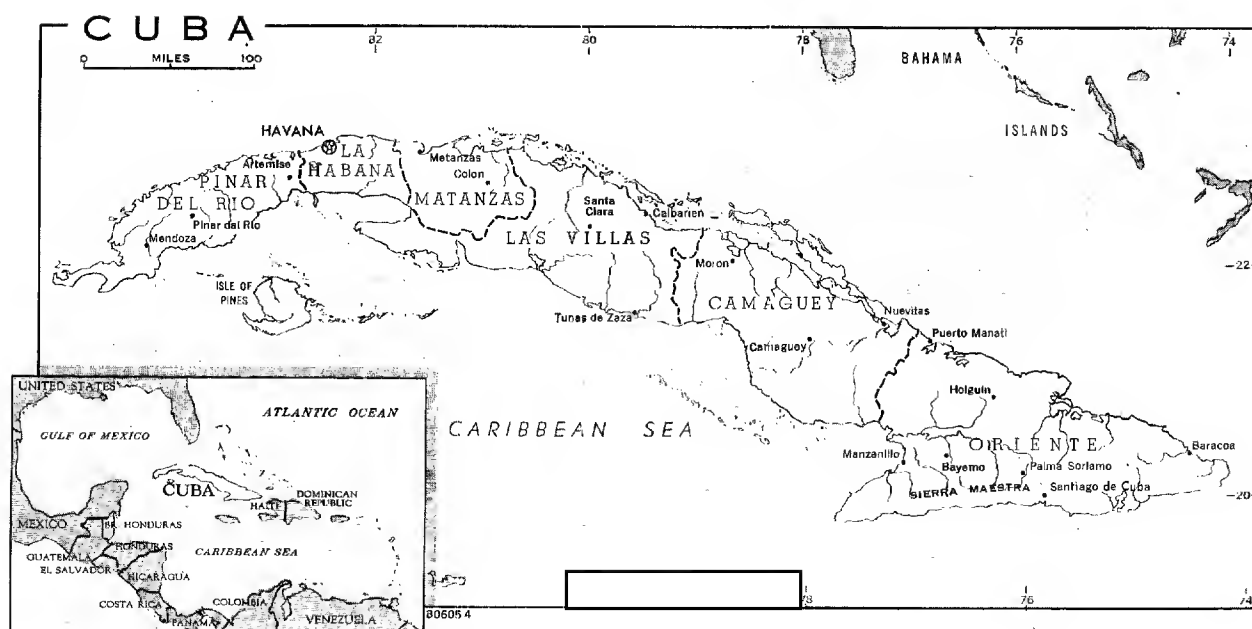
Delgado, who is director general of civil aviation, has promised to work for the restoration of democratic liberties and a more enlightened economic policy. He has declared that if elected, he would dismiss Salazar because "he has not evolved" after "tidying up" Portugal in the early years of his regime.

Observers still consider it virtually certain that the government's candidate, Admiral Americo Thomaz, will be elected by a comfortable margin. Nevertheless, the embassy reports that the enthusiasm of the demonstrations in Delgado's favor is causing serious concern to the government, which is "unquestionably impressed" with the depth of popular unrest. Delgado still has government permission to continue his campaign.

Although the regime is fully capable of maintaining order for the foreseeable future, it is likely to face growing popular discontent which may eventually require some political concessions. A more imminent development is widening of the rift between the factions of Defense Minister Colonel Santos Costa and Minister of the Presidency Marcelo Caetano as a result of campaign stresses. This friction presages considerable maneuvering by these two men and possibly others to improve their positions in the postelection period.

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Cuban Government Offensive Against the Rebels

The outcome of the Cuban Government's new "all-out war" against Fidel Castro's rebels in the Sierra Maestra will probably determine the atmosphere in which the political campaign for the 3 November general elections will be conducted. President Batista told US Ambassador Smith on 2 June that he expects Castro to be captured within two months and implied that the state of national emergency and suspension of constitutional guarantees, which have discouraged election campaigning, will remain in effect until the government has gained control over the rebel movement. Batista's offer of a general amnesty during the electoral period if the rebels agree to lay down their arms still holds, but there is little reason to believe that significant numbers of insurrectionists will take advantage of the offer.

The government's present effort has been under preparation since shortly after the failure of Castro's April offensive, and appears to be considerably better organized than previous "all-out" drives. Government troops, alleged to number between 8,000 and 11,000 men, are reported fighting the rebels on several fronts in Oriente Province. The army has the advantage of superior numbers and arms, but it is handicapped by difficult terrain, bad weather, and its unfamiliarity with guerrilla tactics.

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